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29 October 1959

Copy No. C 65

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CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 51
NO CHANGE IN CLASS. X
DECLASSIFIED
CLASS. CHANGED TO: TS
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 4/19/80 REVIEWER:

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State Department review completed

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Approved For Release 2003/02/27 : CIA-RDP79T00975A004700510001-3

Next 1 Page(s) In Document Exempt

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DAILY BRIEF

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I. THE COMMUNIST BLOC

OK USSR - Communist China: A recently completed study of Soviet party journals and newspapers published between March and September 1958--the period of conception and initial organization of the Chinese communes--suggests an absence of coordination between the Soviet and Chinese parties on this issue. During this period Soviet journals continued to treat Chinese agricultural policies with an approval which contrasted to their attitude after the full implications of the commune program emerged. The seeming lack of prior liaison on an issue of such importance to the bloc calls into question the effectiveness of Sino-Soviet consultation on other doctrinal matters.

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NO USSR: Khrushchev told Austrian Foreign Minister Kreisky, during the recent visit of the Austrian delegation to the USSR, that he could have declared an end to Western occupation of West Berlin instead of offering his "generous" free city proposal. The Soviet premier said he was absolutely convinced that the Western powers would not have gone to war, and cited the effect of Bulganin's threatening letters to Britain and France during their attack on Suez in 1956. Khrushchev also stated that Soviet plans for raising the standard of living are based on increases in productivity under the Seven-Year Plan and not on possible savings from disarmament.

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NO Communist China - Indonesia: A reported sharp protest by the Chinese Communist Embassy over Indonesia's treatment of Overseas Chinese reflects the intense friction over this issue, which has developed into a major irritant to Sino-Indonesian relations. Peiping's action was prompted by measures being taken now in small villages in Java to round up and move by truck to

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larger cities alien retailers, who are primarily Chinese. Peiping's action through diplomatic channels may foreshadow economic retaliation against Diakarta.

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II. ASIA-AFRICA

India - Communist China: [Nehru]

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was considering a withdrawal of Indian diplomats from Peiping as a mark of protest if the Chinese continue to act aggressively along the frontier. New tactics for dealing with border problems are being considered; growing public resentment over the government's "inaction" since last week's clash in Ladakh is apparently influencing Nehru in the direction of a tougher policy toward Peiping. New Delhi is unlikely to take any action drastic enough to prevent negotiations, which both sides apparently still hope to bring about. Nehru also advised [] that troops were being moved into Ladakh to reinforce Indian positions on the border.

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Laos-USSR: The Soviet ambassador in London told Selwyn Lloyd on 23 October that the USSR was absolutely opposed to a UN presence in Laos. The USSR probably feels that even tacit acquiescence in Hammarskjold's plan would undercut its position that the only international framework on which to base a solution in Laos is the Geneva agreements. Meanwhile Hammarskjold continues to search for a way to establish a UN presence in Laos that would get around Soviet objections.)

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Watch Committee Conclusions: [Situations susceptible of direct exploitation by Sino-Soviet bloc action which would jeopardize US interests exist in Laos and in the Middle East, particularly in Iraq.]

Laos: [Dissident military activity has remained at a low level but subversive activity continues at a high level, particularly in the south. These activities may increase in intensity, particularly if the Lao Government carries out its deferred plan to put Neo Lao Hak Zat leaders on public trial. Direct North Vietnamese military intervention is not likely in the immediate future.]

Middle East: [The situation in Iraq remains tense. With the approaching trials of Qasim's alleged attackers and the anticipated release of Qasim from the hospital, the possibility of further assassination attempts or coups remains. In these circumstances, the UAR may become more deeply involved.]

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Libya: A shake-up of the Libyan cabinet appears imminent. King Idriss is reported to be disgusted over recent scandals involving government officials. Changes may be made in the Council of Ministers, as well as in lesser positions. The King, however, will probably maintain his control over affairs despite his continued poor health.

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Japan - North Korea: [The Japanese Government reportedly is modifying the procedures for repatriation of Koreans from Japan to North Korea in order to lift the month-old boycott of the program by the pro-Communist General Federation of Koreans in Japan. The changes do not appear to modify the safeguards against involuntary repatriation substantially. The first repatriation ship is expected to sail on 10 December if there is no delay in approval of revised procedures by the International Committee of the Red Cross.]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Lack of Sino-Soviet Liaison on Communes

A recently completed study of Soviet party journals and newspapers published between March and September 1958--the period of conception and initial organization of the Chinese communes--suggests an absence of coordination between the Soviet and Chinese parties on this issue. During this period Soviet journals continued to treat Chinese agricultural policies with an approval greatly in contrast to their attitude after the full implications of the commune program emerged. The seeming lack of prior liaison on an issue of such importance to the bloc calls into question the effectiveness of Sino-Soviet consultation on other doctrinal matters.

The Chinese Communist party leadership was actively considering and making preparations for a nationwide commune program throughout the spring of 1958. Prototype communes were formed in April, the same month that Mao Tse-tung wrote an article--not published until June--in which he implied an intention to move into a more advanced stage of agricultural organization. At the same time, the Chinese stepped up their claims to be advancing toward the ultimate stage of Communism, in the face of the Soviet position that only the USSR had graduated from the preliminary "socialist" stage. The communes were almost certainly discussed at the Chinese party congress in May, although the proceedings were never published. The very term "people's commune"--Peiping has since said--was first adopted in June 1958.

While the Soviet leaders presumably knew some sort of change was impending in the Chinese countryside during this period, they do not seem to have been aware of the implications of Peiping's plans--not publicly revealed by the Chinese until September 1958 when the commune system had already reached an advanced stage. Had the USSR been fully informed, it would almost certainly have been alarmed. Yet in June 1958, at the Bulgarian party congress, Khrushchev himself bestowed an unusual accolade on the Chinese party for its "enormous contribution to the theory and practice of the socialist revolution."

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As late as early September, up to the eve of the publication of the Chinese party's commune resolution, authoritative Soviet papers and spokesmen continued to praise the existing Chinese cooperative system in terms which suggested that they did not expect it to change. These Soviet statements emphasized that China was following the tested Leninist cooperative plan and Soviet experience, whereas in fact the impending commune program was a radical departure from Soviet practice. Moscow also continued to congratulate the Chinese on their creative application of Marxism, a "creativity" which the USSR subsequently disapproved when it became fully aware of the commune program,

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Khrushchev Comments to Austrians on East-West Issues

[Khrushchev told Austrian Foreign Minister Kreisky early this month that he could have declared an end to Western occupation of West Berlin instead of offering his "generous" proposal for a free city. The Soviet premier said he was absolutely convinced that the Western powers would not have gone to war, and cited the effect of the USSR's threatening letters to Britain and France during their attack on Suez in 1956.]

[Further evidence that Moscow's long-range economic and military planning is not predicated on any substantial reductions in military expenditures through East-West disarmament agreement was provided by Khrushchev's remarks. According to Kreisky, the Soviet premier stated that Soviet plans for raising the standard of living are based on the goals of the Seven-Year Plan, and not on savings from disarmament.]

[Khrushchev said he had asked his military advisers for an estimate of the cost of shifting the Soviet military system from conventional armaments to missiles. They had estimated 30 billion rubles, he said, which would be cheaper than the cost of maintaining a system based on conventional armaments.]

[Kreisky gained the impression from Khrushchev that the USSR would accept disarmament controls, but expressed doubt that Soviet views on the timing and scope of controls would be acceptable to the United States. Khrushchev appears to have repeated the vague and ambiguous position on controls that he outlined in his speech before the UN General Assembly on 18 September and in subsequent pronouncements. He called for an international control body composed of all states but made it clear that this body would have "free access to all objects under control" only after complete disarmament has been achieved.]

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II. ASIA-AFRICA

USSR Opposed to UN Presence in Laos

Soviet Ambassador to London Malik told British Foreign Secretary Selwyn Lloyd on 23 October that the USSR was "absolutely opposed" to a UN presence in Laos. Deputy Foreign Minister Kuznetsov had raised no objection on 7 October when UN Secretary General Hammarskjold first outlined his plan to appoint a representative in Laos after the UN fact-finding subcommittee submits its report.

The Soviet Government probably feels that any acquiescence, even though unspoken, in Hammarskjold's plan would undercut its insistence that the only international framework on which to base a solution in Laos is the Geneva agreements. It may also fear that tacit approval will commit Moscow to a procedure Hammarskjold can use in the future to side-step a Soviet veto. The Malik statement suggests that the USSR will veto any Western-backed proposal to establish more permanent and effective UN machinery in Laos.

On 26 October Malik made strong representations to Lloyd and delivered a Soviet note protesting the trial of the 14 Neo Lao Hak Zat leaders as a violation of the Geneva agreements and calling for a meeting of the Laos International Control Commission to consider what should be done. The Foreign Office plans to reply that the trials are an internal problem for Laos and are neither in violation of nor within the scope of the Geneva agreements.]

[Hammarskjold continues to seek a legal basis which the USSR cannot challenge for establishing a UN presence in Laos, and seems willing to take a calculated risk of provoking renewed Soviet charges that he has violated the principle of impartiality inherent in the office of the secretary general.]

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Japanese - North Korean Repatriation Stalemate Resolved

[The way appears to have been cleared for the repatriation of Korean residents in Japan to North Korea as a result of the approval by the pro-Communist Korean residents' organization (Chosen Soren) of modifications in the program proposed by the Japanese Government. The revised procedures will relax restrictions on visits to the repatriates during their stay at the port of embarkation, and provide for final interviews of families rather than individuals to determine that the repatriates had "freedom of choice" in making their decision. The Japanese have indicated that these procedures will not substantively modify conditions which would confirm the voluntary intentions of the repatriates.]

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[The Japanese Red Cross plans to reopen repatriation registration offices as soon as the International Committee of the Red Cross approves the revised procedures--an approval Tokyo hopes to receive in a few days. Chosen Soren's nationwide boycott during the three days the registration offices were open in late September had restricted applications for repatriation to slightly more than 200. Although Chosen Soren has claimed that 170,000 of the approximately 700,000 Koreans in Japan want to return to North Korea, some observers believe that the number may be less than 50,000. The first repatriation ship is expected to sail in early December.)

[South Korea has publicly threatened to break off talks now under way to settle outstanding differences with Japan if Tokyo compromised with the Korean organization.]

[North Korea now may be willing to allow the repatriation to move forward in the belief that further obstruction would reflect on its good faith and hamper its efforts to promote relations with non-Communist countries. Should the number of prospective repatriates prove disappointing, Pyongyang may renew charges that interference by Japan is responsible.]

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